

A-Engrossed
Senate Bill 318

Ordered by the Senate March 16
Including Senate Amendments dated March 16

Sponsored by Senator BEYER (Presession filed.)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure.

[Requires Public Utility Commission to establish resource adequacy requirement applicable to all load serving entities. Requires load serving entity to submit resource adequacy plan to commission.]
Authorizes Public Utility Commission to determine resource adequacy for load serving entities. If commission determines resource adequacy, directs commission to require load serving entities to periodically make certain demonstrations. Authorizes commission to direct public utility *[to acquire and procure physical resources and qualifying capacity]* to meet resource adequacy requirement that *[electricity service supplier]* **load serving entity other than public utility** is unable to meet in certain circumstances.

A BILL FOR AN ACT

1
2 Relating to resource adequacy.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1. Section 2 of this 2021 Act is added to and made a part of ORS chapter 757.**

5 **SECTION 2. (1) As used in this section:**

6 (a) **"Electricity service supplier" has the meaning given that term in ORS 757.600.**

7 (b) **"Load serving entity" means a person that:**

8 (A) **Secures energy and transmission and related interconnection operation services to**
9 **serve the electrical demand of its customers;**

10 (B) **Serves customers in the service area in this state of a public utility; and**

11 (C) **Is not a municipal electric utility, a people's utility district organized under ORS**
12 **chapter 261 or an electric cooperative organized under ORS chapter 262.**

13 (2) **The Public Utility Commission may, pursuant to its authority under ORS 756.040 to**
14 **obtain adequate service for the public generally, determine the resource adequacy for load**
15 **serving entities. The commission shall determine resource adequacy, and the sufficient level**
16 **of power supply reliability, through use of a loss of load probability, loss of load expectation**
17 **or similar metric or metrics, as identified by the commission.**

18 (3) **If the commission determines resource adequacy for load serving entities under sub-**
19 **section (2) of this section, the commission shall require each load serving entity, at multiple**
20 **intervals on a schedule determined by the commission, to periodically demonstrate to the**
21 **commission that the load serving entity is achieving its resource adequacy to the satisfaction**
22 **of the commission. The commission shall consider physical resources, including demand re-**
23 **sponse resources and other demand-side resources, and contract characteristics in evaluat-**
24 **ing a load serving entity's demonstration.**

25 (4) **If, after the demonstration provided pursuant to subsection (3) of this section, the**

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 **commission determines that a load serving entity is not satisfactorily providing resource**
2 **adequacy, the commission may commence an investigation pursuant to ORS 756.515 (1) to**
3 **identify remedial actions, analysis or planning necessary to correct any deficiency and direct**
4 **the load serving entity to perform the actions, analysis or planning.**

5 **(5) If a load serving entity other than a public utility fails to demonstrate, to the satis-**
6 **faction of the commission, that the entity is able to provide resource adequacy, and if the**
7 **entity fails to undertake remedial actions, analysis or planning as directed by the commission**
8 **under subsection (4) of this section, the commission may, in addition to any other remedy**
9 **provided by law:**

10 **(a) Direct a public utility, for customers served by the entity within the public utility's**
11 **allocated service territory, to provide an assessment of the public utility's ability to provide**
12 **resource adequacy for those customers and to identify the actions necessary to remedy the**
13 **deficiency;**

14 **(b) Notwithstanding ORS 757.646 and the definition of "electricity" and "electricity ser-**
15 **vices" in ORS 757.600, direct the public utility to provide resource adequacy for the custom-**
16 **ers identified in paragraph (a) of this subsection and, if so directed, shall allow the public**
17 **utility to recover from the entity and the entity's customers, through a mechanism approved**
18 **by the commission, all prudently incurred costs consistent with the public utility's assess-**
19 **ment and identified actions; and**

20 **(c) If the load serving entity is an electricity service supplier, revoke or otherwise con-**
21 **dition the electricity service supplier's certification pursuant to authority provided in ORS**
22 **757.649.**

23 **(6) The commission may consider coordination and integration with any multistate, re-**
24 **gional or national entity when assessing resource adequacy under this section and may con-**
25 **sider resource adequacy requirements or obligations imposed on load serving entities by**
26 **those multistate, regional or national entities.**

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